

## As agency concedes \$200 million shortfall

### EPA ASKS REGIONS TO MOVE SUPERFUND MONIES TO COMPLETING CLEANUPS

EPA has asked its regional offices to re-examine where they have allocated funding in their Superfund programs and to shift available funds towards the areas of greatest need — with EPA making the biggest push towards funding sites nearing cleanup, or “construction,” completion, agency and congressional sources say.

The move comes as EPA recently announced that its Superfund program is facing a shortfall as high as \$200 million for fiscal year 2002 and that the situation may “snowball” if funding is not increased in upcoming years, despite earlier projections of a much smaller funding deficit.

“We clearly face a shortfall of money for construction in the Superfund program,” said Mike Cook, director of the Superfund program, at the second meeting of the National Advisory Council on Environmental Policy & Technology (NACEPT) panel considering the future of the Superfund program. “The demand [for cleanup funds] clearly exceeds the availability of money,” he said.

As a result, EPA has asked its regions to begin “redirecting a modest amount [of money] from the pipeline,” — or earlier phases of the cleanup process like study and design — towards construction completion, according to one regional source. “There’s definitely an interest in getting sites to construction,” the source says. “We have been asked to look at moving funding” from areas where it may not be needed to areas of greater need, the source says.

The source says the move is unusual because “historically we’ve been able to fund all of our construction work.” But with the budget shortfall, EPA has had to take unique steps to save or redirect funding wherever possible.

Another agency source says EPA was actually considering asking regions to shift all of its funding away from the pipeline and towards construction, but was unsure whether the agency followed through with that proposal. But a high-level waste office official denies EPA asked the regions to do so.

**The program’s deficit appears to be significantly higher than the \$80 million EPA officials had previously estimated, despite agency efforts to cut costs through programmatic reforms. The funding shortfall has also left the agency unable to provide funds for seven Superfund sites of 33 identified in a May Inspector General report as lacking sufficient cleanup funds.**

The latest deficit figures are also likely to boost Democrats’ and environmentalists’ efforts to reinstate the expired Superfund taxes, which they say will cause significant funding shortfalls in the future. Last week, Senate Majority Leader Tom Daschle (D-SD) vowed to press for a Finance Committee vote before the end of the congressional session on newly introduced legislation to reinstate the expired Superfund taxes (*see related story*).

Cook told the panel that in its efforts to cut costs, EPA has stepped up efforts to locate liable parties earlier in the cleanup process, and increased the use of enforcement orders. In addition, the agency is reviewing post cleanup activities to try to “bring down costs in the program as much as we can,” Cook said.

While environmentalists and state officials have feared that EPA would use the NACEPT panel as a justification for not listing sites on the National Priority List (NPL) of Superfund sites, Cook emphasized that NPL listings would continue, but under tighter criteria. “We are going to continue to list but I think we’re going to tighten up the listing requirements,” Cook said.

EPA will also likely require its regions to begin turning over more unspent, or de-obligated, cleanup funds to headquarters for Superfund cleanups, agency officials said. Regions have historically been able to retain de-obligated funds but EPA changed that policy this year in order to allow headquarters to distribute funds to regions that may need them.

By shifting de-obligated monies to regions with funding deficits, the program may only face a shortfall of \$140 million, one EPA source says.

Other EPA officials warned at the meeting that the funding condition will “snowball” in upcoming years as neglected sites create a backlog of cleanup work as new sites are identified as needing cleanup.

### WHITMAN SAYS DHS, NOT EPA, SHOULD TAKE LEAD ON CHEMICAL SECURITY

EPA Administrator Christine Todd Whitman is conceding that the new Department of Homeland Security (DHS) — not EPA — should be the lead agency responsible for chemical plant security.

Whitman told a hearing of the Senate Environment & Public Works Committee Sept. 24 that the Bush administration is working with a bipartisan group of senators to propose legislation that gives the new department a coordinating role in overseeing the security of hazardous industrial facilities, as an alternative to legislation sponsored by Sen. Jon Corzine (D-NJ) that gives EPA that responsibility.

Whitman’s statements come as sources say the White House has stalled indefinitely a proposal by EPA to require security enhancements at chemical plants and other facilities storing hazardous materials. The agency had expected to roll out the initiative earlier this month, but an internal debate over the administration’s statutory authority has left the fate of the proposal uncertain, industry and EPA sources say.

High-level cabinet officials from EPA, the Department of Justice, the White House’s Office of Management &

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